

# The Indian Ocean Economy: Trade, Technology and Economic Transformation

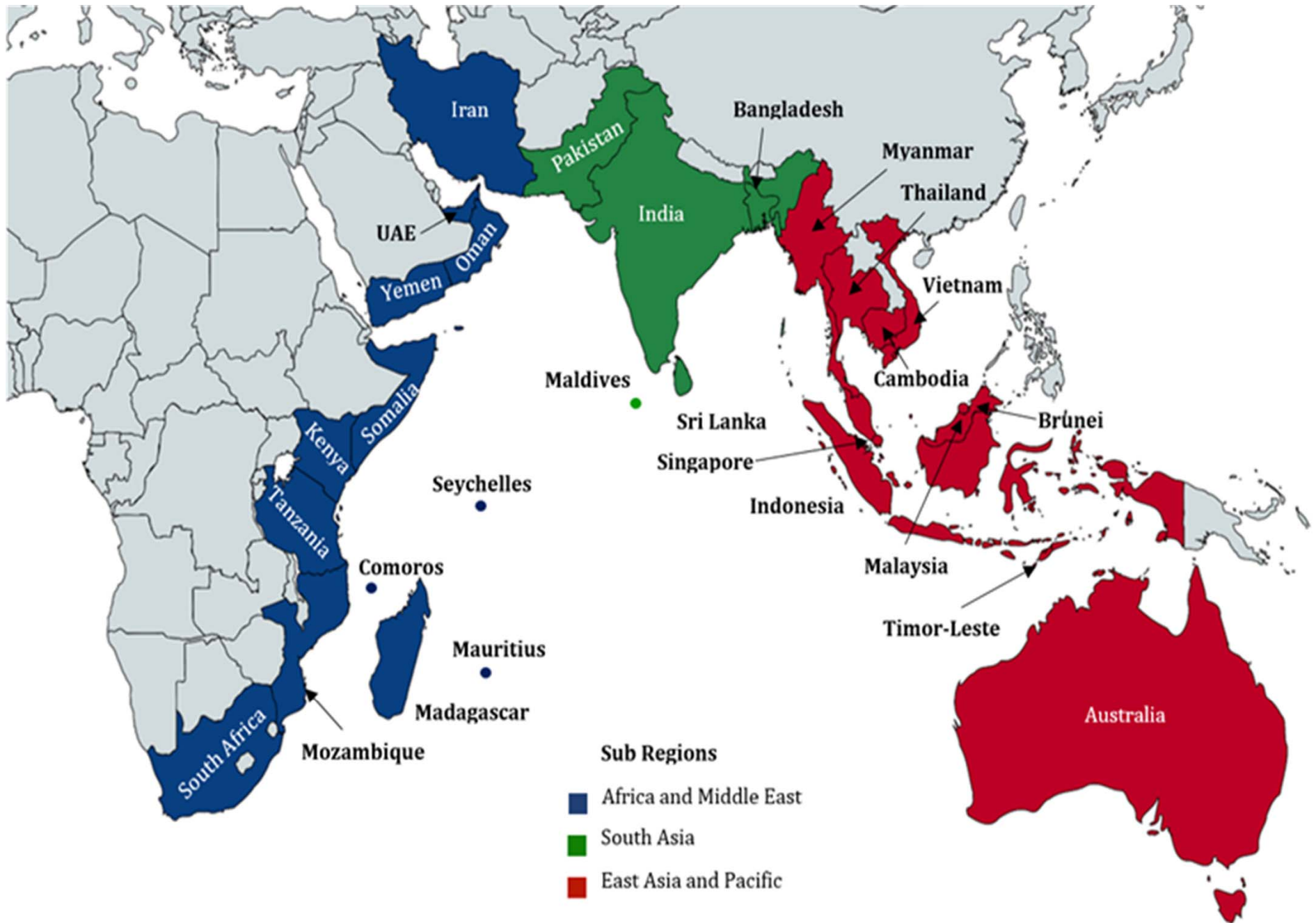
*The opinions expressed in this presentation are solely those of the presenter and do not necessarily reflect those of LKI. The contents are based on an LKI Working Paper that can be accessed here:  
<https://www.lki.lk/publication/is-the-indian-ocean-economy-a-new-global-growth-pole/>*

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# The Indian Ocean Economy in 2017

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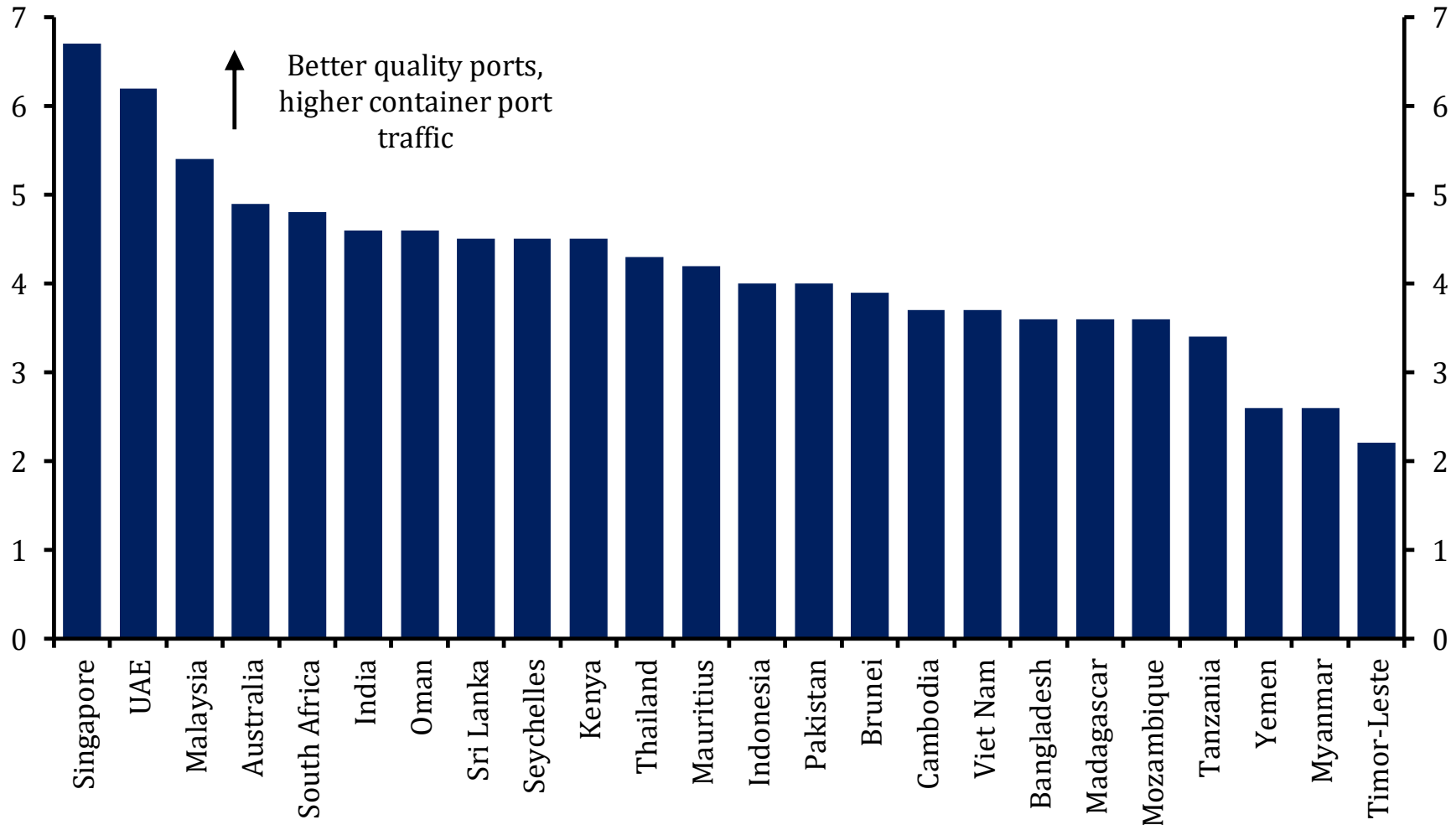
- 35.0% of world population
- 17.5 of world land area
- 10.7% of global GDP (at market exchange rates)
- 13.1% of world trade

# What are the key economic challenges?

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# #1 Infrastructure Gaps

## Quality of Port Infrastructure (Rated 1-7, 2017)

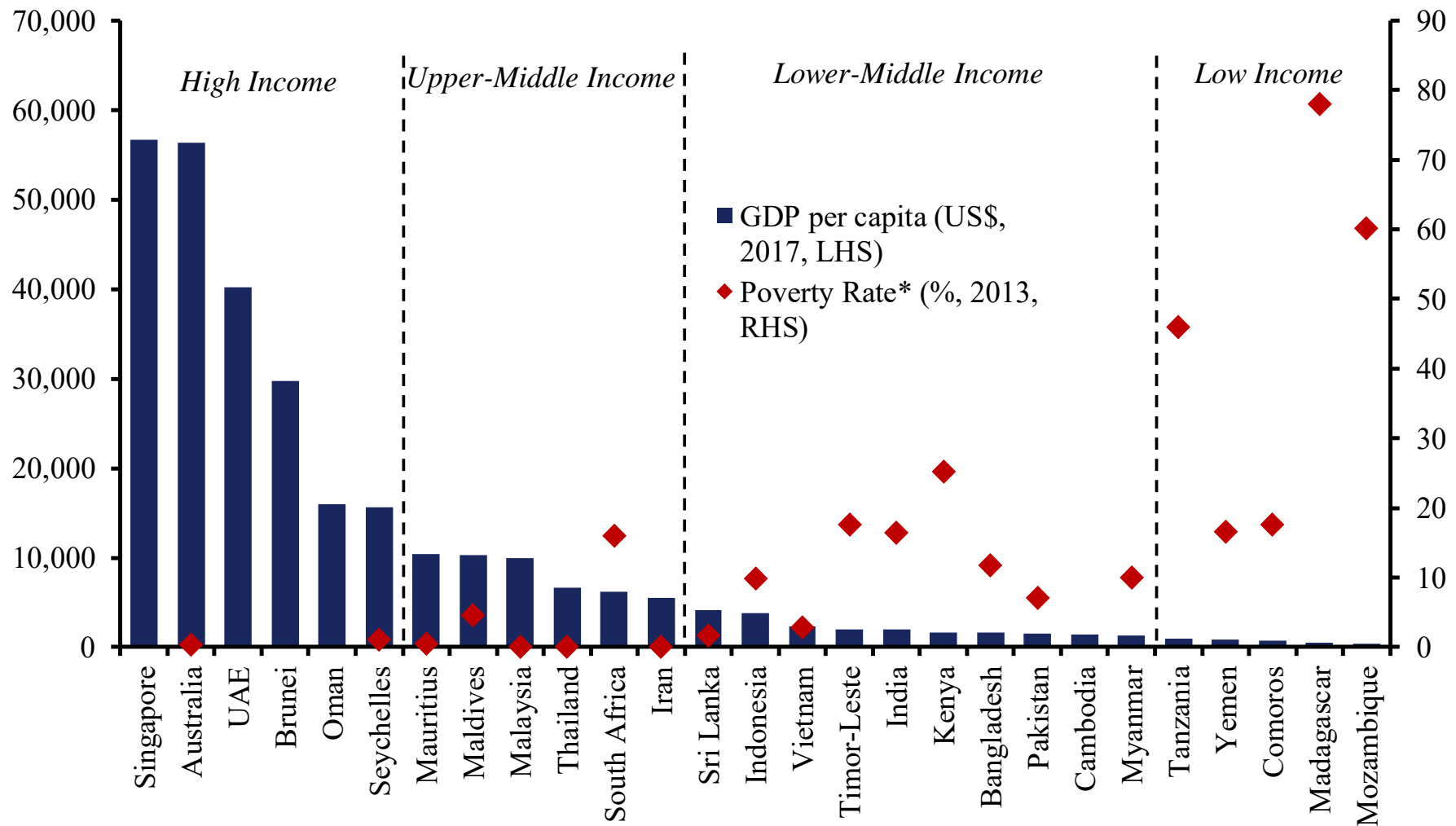


## #2 Trade and Investment Barriers

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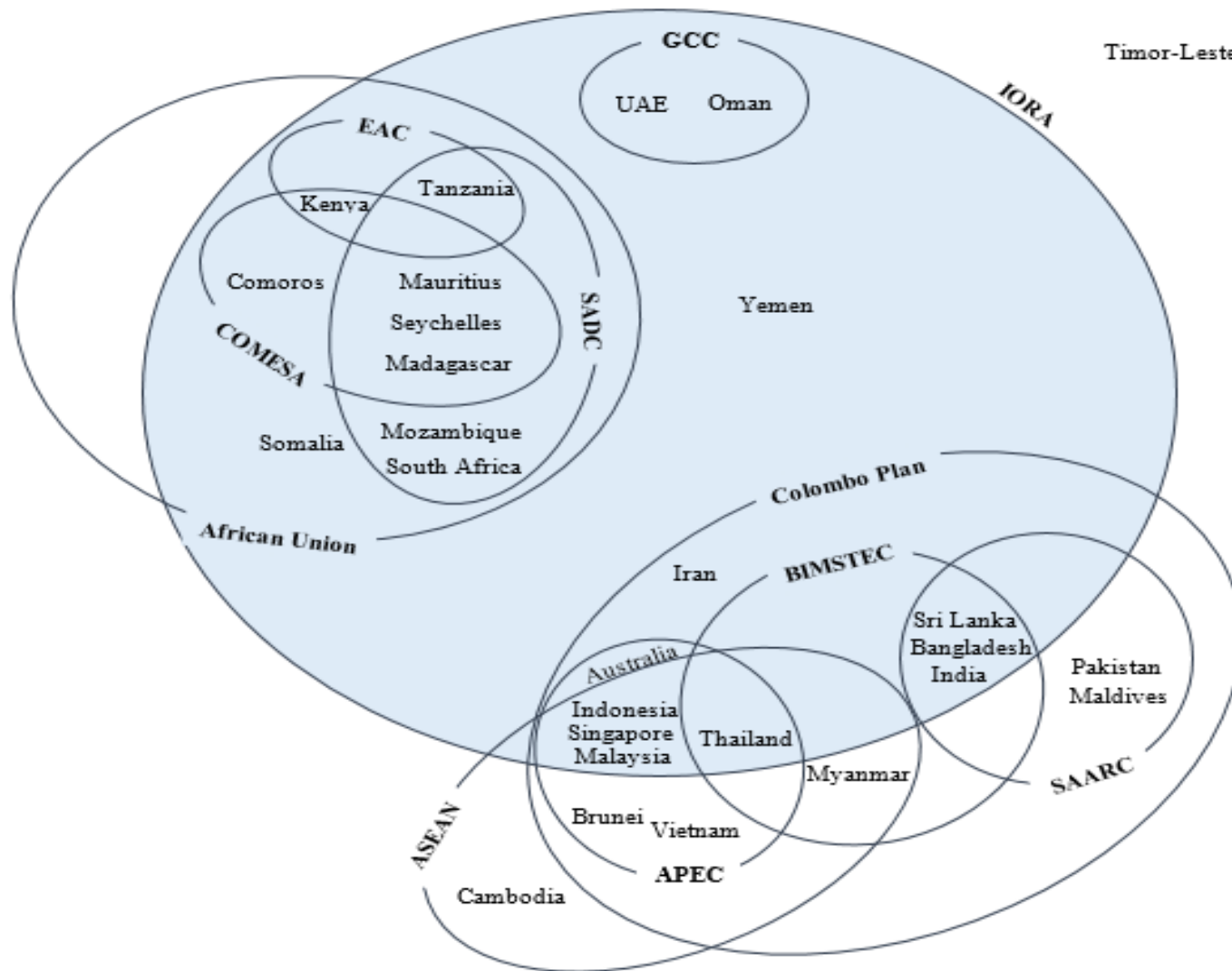
- Simple average tariff rate fell from 13.8% in 2000 to 4.6% in 2016.
- But non-tariff barriers to goods remain prevalent.
- Restrictions on trade in services and foreign investment also appear relatively stringent.

# #3 Development Gaps



Sources: World Bank, IMF

# #4 Nascent Regional Economic Governance





# Conclusions

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- The Indian Ocean economy is already a significant part of the global economy.
- But there are a number of challenges to the region's future prosperity.
- Tackling these will require the right national policies and stronger regional cooperation.